

**Dr. Babasaheb Ambedkar Open University**  
**Term End Exam August – 2010**

Course Code : DFM-04 Roll No. \_\_\_\_\_  
Subject : Policy Working Capital Management  
Date : 03-08-2010 Marks : 70  
Time : 03:00 to 06:00

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Note : All questions carry equal 14 marks.

Que 1: What is Working Capital ? State the factors influencing Working Capital. (14)

OR

Que 1: Explain Overcapitalization and Undercapitalization in detail. (14)

Que 2: Write a note on determining the Credit Policy. (14)

OR

Que 2: Explain the ABC Analysis for Inventory Management. (14)

Que 3: Explain Re-Ordering level, Minimum Level, Maximum Level and Average Level in Inventory Management. (14)

OR

Que 3: Explain advantages and disadvantages of Cash Budget. (14)

OR

Que 3: Prepare Cash Budget with illustrative figures. (14)

Que 4: Define Receivables. Discuss need for Receivables Management. (14)

OR

Que 4: Explain various strategies used in Working Capital Management. (14)

Que 5: Write note on the following. (Any Two): (14)

- a. Factoring of Book Debts.
- b. Classification of Inventory
- c. VED Analysis
- d. Overtrading